

The following is the text of a letter, a summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from BMI Appraisals Limited, an independent valuer, in connection with its valuations as at 31 March 2003 of the property interests of the Group.

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10 June 2003

The Directors

Spread Prospects Holdings Limited

Unit 2603, 26th Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

Dear Sirs,

We refer to your instructions for us to value the property interests of Spread Prospects Holdings Limited (referred to as the “Company”) and its subsidiaries (together referred to as the “Group”) located in the People’s Republic of China (referred to as the “PRC”) and Hong Kong. We confirm that we have carried out site inspections, made relevant enquiries and obtained such further information, as we consider necessary for the purpose of providing you with our opinion of the open market values of the property interests as at 31 March 2003 (“date of valuation”).

BASIS OF VALUATION

Our valuations of the property interests are our opinion of the open market value of each of the concerned property interest which we would define as intended to mean “the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;

- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

PROPERTY CATEGORIZATION

In the course of our valuations, the portfolio of property interests held or rented by the Group are categorized under the following groups:

- Group I — Property interests held by the Group in the PRC
- Group II — Property interests rented by the Group in the PRC
- Group III — Property interest rented by the Group in Hong Kong

VALUATION METHODOLOGIES

Group I

Property No. 1

Owing to the inherent nature of usage and lack of market sales comparables, the property has been valued by the Depreciated Replacement Cost Approach. Depreciated replacement cost is defined as the aggregate amount of the value of the land for the existing use or a notional replacement site in the same locality and the new replacement cost of the buildings and other site works, from which appropriate deductions may then be made to allow for the age, condition, economic or functional obsolescence and environmental factors etc; all of these might result in the existing property being worth less to the undertaking in occupation than would a new replacement. This opinion of value does not necessarily represent the amount that might be realized from the disposition of the subject asset in the open market and is subject to adequate profitability of the business compared to the value of the total assets employed. This basis has been used due to the lack of an established market upon which to base comparable transactions. However, this approach generally furnishes the most reliable indication of value for assets without a known used market.

Property No. 2

As the formalized title documents of the property have not yet been obtained, we are therefore, unable to attribute any commercial value to this property.

Groups II and III

In valuing the property interests rented by the Group, we are of the opinion that they have no commercial value either because of their non-assignability in the open market or there are prohibitions against subletting and/or assignment contained in the respective leases and/or tenancy agreements or the lack of marketable and substantial profit rents.

TITLE INVESTIGATIONS**Group I***Property No. 1*

We have been provided with copies of title documents and advised by the Group that no further relevant documents have been produced. Moreover, due to the nature of the land registration system in the PRC, we have not been able to examine the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. Therefore, in the course of our valuation, we have relied on the advice and information given by the Group and its PRC legal advisers in the legal opinion regarding the title of such PRC property.

Property No. 2

In valuing this property, we have been provided with a copy of land agreement by the Group and have been advised by the Group that no further relevant documents have been produced. All documents have been used for reference only.

Groups II and III

In valuing the property interests of Groups II and III, we have not searched the title of the property interests and have not scrutinized the original title documents to verify ownership or to ascertain the existence of any amendments, which do not appear on the copies handed to us. However, we have been given copies of tenancy agreements of the property interests rented by the Group. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have also been made on the assumption that the property interests are sold in the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the values of the property interests.

In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale of the property interests and no forced sale situation in any manner is assumed in our valuations.

In valuing Property No. 1 in Group I, we have relied on the advice given by the PRC legal advisers of the Group that the Group has valid and enforceable title to the property interest which is freely transferable, and has free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual Government rent/land use fees and all requisite land premium/purchase consideration payable has been fully settled.

We have valued the properties on the basis that each of them is considered individually. We have not allowed for any discount for the properties to be sold to a single party nor taken into account any effect on the values if the properties are to be offered for sale at the same time, as a portfolio.

VALUATION CONSIDERATIONS

We have inspected the exterior and wherever possible, the interior of the properties included within the attached valuation certificates. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the properties are free from rot, infestation or other defects. No test has been carried out to any of the services.

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, particulars of occupancy, site/floor areas, identification of the properties and all other relevant matters.

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the properties but have assumed that the site/floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information so supplied.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature, which could affect their values.

Our valuations have been prepared in accordance with the Hong Kong Guidance Notes on the Valuation of Property Assets (2nd Edition) published by the Hong Kong Institute of Surveyors.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the Rules governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited.

REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (RMB).

Our summary of values and the valuation certificates are attached herewith.

Yours faithfully,

For and on behalf of

BMI APPRAISALS LIMITED

Tony C.H. Cheng

BSc. MUD MBA MRICS MHKIS MCI Arb AFA MIIM

Director

Note: Tony C.H. Cheng is a Chartered Surveyor who has 11 years' experience in valuations of properties in Hong Kong, the People's Republic of China and the Asia-Pacific region.

SUMMARY OF VALUES

No. Property	Open Market Value in existing state as at 31 March 2003
	<i>RMB</i>
Group I — Property interests held by the Group in the PRC	
1. Land, buildings and structures located at Pai Bian Village, Shang Jing Town, Fuqing City, Fujian Province, the PRC	17,400,000
2. Land located at Pai Bian Village, Shang Jing Town, Fuqing City, Fujian Province, the PRC	No Commercial Value
Sub-total:	17,400,000
Group II — Property interests rented by the Group in the PRC	
3. A building located at Pai Bian Village, Shang Jing Town, Fuqing City, Fujian Province, the PRC	No Commercial Value
4. Unit A(3) on 25th Floor and a car parking space, Jin Yuan Plaza, Guang Da Road, Tai Jiang District, Fuzhou City, Fujian Province, the PRC	No Commercial Value

No. Property	Open Market Value in existing state as at 31 March 2003
	<i>RMB</i>
5. Land, buildings and structures located at No. 2 Ying Xiong Road South, Fen Yang City, Shanxi Province, the PRC	No Commercial Value
Sub-total:	Nil
 Group III — Property interest rented by the Group in Hong Kong	
6. Unit 2603, 26th Floor, Harbour Centre, No. 25 Harbour Road, Wanchai, Hong Kong	No Commercial Value
Sub-total:	Nil
Total:	<u>17,400,000</u>

VALUATION CERTIFICATE

Group I — Property interests held by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31 March 2003 RMB
1.	Land, buildings and structures located at Pai Bian Village Shang Jing Town Fuqing City Fujian Province the PRC	<p>The property comprises a parcel of land with a site area of 13,666.7 sq.m. upon which 11 buildings and structures are erected.</p> <p>The major buildings and structures of the property include 2 production buildings, 1 office building, 1 composite building, 3 warehouses, 1 guard room, 1 ancillary room with toilet, 1 electricity generation room and 1 storage room, which have been completed between 1996 and 1998 with a total gross floor area of approximately 12,383 sq.m..</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 5 November 2044 for industrial purposes.</p>	The property is currently occupied by the Group for industrial and other ancillary uses.	17,400,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract (Allocated Land Use Rights Supplementary Grant Contract), entered into between Fujian Province Fuqing City Land Administration Bureau and Fujian Fuwang Metal Products Co., Ltd. ("Fuwang") dated 10 July 2001, the former has agreed to grant to the latter land use rights of the property at a land premium of RMB956,669 for a term of 50 years commencing on 5 November 1994 for industrial purposes.
- Pursuant to a State-owned Land Use Rights Certificate, Rong Shang Guo Yong (01) Zi Di No. 00062, issued by Fuqing City Land Administration Bureau dated 22 August 2001, the land use rights of the property with a site area of 13,666.7 sq.m. have been granted to Fuwang for a term of 50 years expiring on 5 November 2044 for industrial purposes.

3. Pursuant to a Building Ownership Certificate, Rong Fang Quan Zheng R Zi Di No. 9900591, issued by Fuqing City People's Government dated 5 March 1999, 11 buildings and structures with a total gross floor area of approximately 12,383 sq.m. are owned by Fuwang.

Details of the constituent buildings are as follows:

No.	Description	Gross Floor Area (sq.m.)	No. of Storeys
1	Production Building for can manufacturing	2,180	1.5
2	Office Building	2,283	4
3	Production Building for painting	1,795	1
4	Composite Building (warehouse and dormitory)	3,208	4
5	Warehouse 1	1,069	1
6	Warehouse 2	409	1
7	Warehouse 3	265	1
8	Guard Room	24	1
9	Ancillary Room with Toilet	638	2
10	Electricity Generation Room	134	1
11	Storage Room	378	1

4. The status of title and grant of major approvals and licences in accordance with the information provided by the Group is as follows:

State-owned Land Use Rights Grant Contract (Allocated Land Use Rights Supplementary Grant Contract)	Yes
State-owned Land Use Rights Certificate	Yes
Building Ownership Certificate	Yes

5. The opinion given by the PRC legal advisers to the Group contains, inter alia, the following:

- a. The property is legally and validly vested in Fuwang;
- b. The property can be transferred, sublet and mortgaged freely by Fuwang;
- c. The property is not subject to mortgage or any other material encumbrances; and
- d. The existing use of the property complies with its prescribed use.

6. We have prepared our valuation basing on the following assumptions:

- a. Fuwang is in possession of a proper legal title to the property and is entitled to transfer the property together with the residual term of the land use rights at no extra land premium or other onerous payments to the government;
- b. All land premium and other costs of ancillary utility services have been settled in full;
- c. The design and construction of the property are in compliance with the local planning regulations and have been approved by relevant government authorities; and
- d. The property may be disposed of freely to both local and overseas purchasers.

7. Fuwang is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31 March 2003 RMB
2.	Land located at Pai Bian Village, Shang Jing Town, Fuqing City, Fujian Province, the PRC	The property comprises a parcel of land with a site area of approximately 10 mu (6,666.7 sq.m.).	The property is currently vacant.	No Commercial Value

Notes:

1. Pursuant to a Land Use Agreement entered into between Fujian Fuwang Metal Products Co., Ltd. ("Fuwang" or Party A), 福清市上選鎮排邊村民委員會 (Fuqing City Shang Jing Town Pai Bian Village Resident Committee, Party B) and 上選鎮排邊村第六村及小組 (Shang Jing Town Pai Bian Village the Sixth Village and Group, Party C) dated 30 August 2002, Party B and Party C have agreed to transfer to Fuwang or Party A the property with a site area of approximately 10 mu (6,666.7 sq.m.) at land compensation fees of RMB15,000 per mu and RMB35,000 per mu to Party B and Party C respectively. Under the agreement, the property is permitted to be occupied by Fuwang for industrial purposes.
2. Pursuant to a 福清市上選鎮排邊村部份雜田斷賣合同 (Fuqing City Shang Jing Town Pai Bian Village Land Sale Agreement) entered into between Fuwang or Party A, 福清市上選鎮排邊村民委員會 (Fuqing City Shang Jing Town Pai Bian Village Resident Committee, Party B) and 15 land owners in Shang Jing Town Pai Bian Village (Party D) dated 6 September 2002, it is confirmed that Fuwang or Party A has settled the land compensation fee in the sum of RMB350,000 to Party C according to the Land Use Agreement.
3. Pursuant to a Receipt issued by 福清市上選鎮排邊村民委員會 (Fuqing City Shang Jing Town Pai Bian Village Resident Committee, Party B) to Fuwang or Party A, it is confirmed that Fuwang or Party A has settled the land compensation fee in the sum of RMB150,000 to Party B according to the Land Use Agreement.
4. The status of title and grant of major approvals and licences in accordance with the information provided by the Group is as follows:

a.	Land Use Agreement	Yes
b.	福清市上選鎮排邊村部份雜田斷賣合同 (Fuqing City Shang Jing Town Pai Bian Village Land Sale Agreement)	Yes
c.	State-owned Land Use Rights Grant Contract	No
d.	State-owned Land Use Rights Certificate	No
5. The opinion given by the PRC legal advisers to the Group contains, inter alia, the following:
 - a. 福清市上選鎮排邊村民委員會 (Fuqing City Shang Jing Town Pai Bian Village Resident Committee, Party B), 上選鎮排邊村第六村及小組 (Shang Jing Town Pai Bian Village the Sixth Village and Group, Party C) and 15 land owners in Shang Jing Town Pai Bian Village (Party D) have the legal rights to enter into the Land Use Agreement and 福清市上選鎮排邊村部份雜田斷賣合同 (Fuqing City Shang Jing Town Pai Bian Village Land Sale Agreement) with Fuwang or Party A;

- b. The Land Use Agreement and 福清市上迳鎮排邊村部份雜田斷賣合同 (Fuqing City Shang Jing Town Pai Bian Village Land Sale Agreement) are legally valid, binding and enforceable to the contracting parties; and
- c. Fuwang can apply for and obtain the State-owned Land Use Rights of the industrial land of the property (the “property”) by the following legal procedures:
- i. Fuwang can lodge an application to Fuqing City Land Administration Bureau (the “Bureau”) for a Construction Land Pre-approval; Upon approval by the Bureau on the application, the Bureau would issue a Construction Land Pre-approval Report to Fuwang.
 - ii. The Bureau can then apply to Fuqing City People’s Government (the “Government”) to convert the property from a collectively-owned land to a Stated-owned land; Upon approval from the Government, land compensation agreement will be entered into between the Government, Fuqing City Shang Jing Town Government, Fuqing City Shang Jing Town Pai Bian Village Resident Committee and Shang Jing Town Pai Bian Village the Sixth Village and Group with the compensation fee payable by Fuwang (the fee has already been pre-paid by Fuwang as in Note 1).
 - iii. The following documents have to be submitted by Fuwang to the Government to obtain the approval of the Bureau for the issue of Construction Land Approval Document:
 - Construction Land Pre-approval Report issued by the Bureau;
 - Construction Project Feasibility Report issued by Fuqing City Economy and Trade Committee;
 - Master Layout Plan of the Construction Project;
 - Confirmation letter for the capital to be injected into the Construction Project;
 - Approval documents issued by Fuqing City Planning Bureau, Environmental Protection Bureau and other relevant authorities;
 - Red-line drawing of the Construction Land; and
 - Other documents which may be required by the Bureau.
 - iv. Fuwang can then enter into a State-owned Land Use Rights Grant Contract with the Bureau and settle the requisite land premium. Upon settlement of the premium, Fuwang can apply to the Bureau for the State-owned Land Use Rights Certificate. The maximum term of the right to use the land shall be 50 years.
 - v. By complying with the legal procedures as detailed above, there would not be any legal impediments for Fuwang to obtain the State-owned land use rights and the State-owned Land Use Rights Certificate for the property.
6. As the formalised title documents of the property have not yet been obtained, we cannot attribute any commercial value to this property.
7. Fuwang is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

Group II — Property interests rented by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31 March 2003 RMB
3.	A building located at Pai Bian Village Shang Jing Town Fuqing City Fujian Province the PRC	<p>The property comprises a single-storey warehouse completed in about 1997.</p> <p>The gross floor area of the property is approximately 10,005 sq.m..</p> <p>The property is rented by the Group under a tenancy agreement dated 12 March 2003 from an independent third party landlord for a term of 1 year commencing on 12 March 2003 and expiring on 12 March 2004 at a monthly rental of RMB2,500 exclusive of all relevant outgoings.</p> <p>Under the tenancy agreement, the property is permitted to be occupied for metal containers and tinplates storage purpose.</p>	The property is currently occupied by the Group for metal containers and tinplates storage use.	No Commercial Value

Notes:

1. The tenant of the property is Fujian Fuwang Metal Products Co., Ltd. (“Fuwang”), which is a wholly-owned subsidiary of the Company.
2. The landlord of the property is 福清惠基塑料有限公司 (Fuqing Hui Ji Plastic Co., Ltd.).
3. Pursuant to a State-owned Land Use Rights Certificate, Rong Shang Guo Yong (98) Zi Di No. 00056 and a Building Ownership Certificate, Rong Fang Quan Zheng R Zi Di No. 9900783, both issued by Fuqing City People’s Government, the land use rights and the building ownership of the property are legally vested in 福清惠基塑料有限公司 (Fuqing Hui Ji Plastic Co., Ltd.).
4. The opinion given by the PRC legal advisers to the Group contains, inter alia, the following:
 - a. The land use rights and the building ownership of the property are legally vested in 福清惠基塑料有限公司 (Fuqing Hui Ji Plastic Co., Ltd.);
 - b. The tenancy agreement is legally valid, binding and enforceable to the contracting parties;
 - c. 福清惠基塑料有限公司 (Fuqing Hui Ji Plastic Co., Ltd.) has the right to lease out the property to Fuwang without obtaining any prior approvals from the relevant government authorities or payment of any fees or premium, but the leasing of the property has to be registered under the relevant registration authority;
 - d. The existing use of the property complies with its prescribed use as stipulated under the State-owned Land Use Rights Certificate and the Building Ownership Certificate of the property; and
 - e. The tenancy agreement has not complied with the registration procedure under Fuqing City Real Estate Administration Bureau, but such non-compliance will not affect the legality of the tenancy agreement and will not constitute any criminal or civil liabilities to Fuwang.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31 March 2003 RMB
4.	Unit A(3) on 25th Floor and a car parking space Jin Yuan Plaza Guang Da Road Tai Jiang District Fuzhou City Fujian Province the PRC	<p>The property comprises an office unit and a car parking space within a high-rise office building completed in about 1995.</p> <p>The gross floor area of the property (excluding the car parking space) is approximately 260 sq.m..</p> <p>The property is rented by the Group under a tenancy agreement dated 16 September 2002 from Mr. Yang Zongwang for a term of 3 years commencing on 1 January 2003 and expiring on 31 December 2005 at monthly rental of RMB9,100 inclusive of management, sanitary, newspaper delivery and equipment depreciation fees but exclusive of all other relevant outgoings (including water and electricity charges, telephone charges and car parking fees). The rental is payable on a tri-monthly basis at an amount of RMB27,300.</p>	The property is currently occupied by the Group for office and car parking uses.	No Commercial Value
		The property is permitted to be occupied for office and car parking purposes.		

Notes:

1. The tenant of the property (including the car parking space) is Fujian Fuwang Metal Products Co., Ltd. ("Fuwang"), which is a wholly-owned subsidiary of the Company.
2. The landlord of the property (including the car parking space) is Mr. Yang Zongwang ("Mr. Yang").
3. Pursuant to a Building Ownership Certificate, Rong Fang Quan Zheng R Zi Di No. 0303843, the building ownership of the property (including the car parking space) is legally vested in Mr. Yang.
4. Pursuant to a Property Leasing Certificate, Rong Fang Zu Zheng Di No. 200300218, issued by Fuzhou City Real Estate Transaction Registration Centre dated 20 March 2003, Mr. Yang has the right to lease out the office unit to Fuwang; but such certificate does not include the car parking space of the property.
5. The opinion given by the PRC legal advisers to the Group contains, inter alia, the following:
 - a. Within the tenancy period specified under the tenancy agreement, Fuwang has the exclusive right to occupy and use the property (including the car parking space);
 - b. The tenancy agreement is legally valid, binding and enforceable to the contracting parties;

- c. All the necessary registration procedures and approvals (except the non-inclusion of the car parking space in the Property Leasing Certificate) for the leasing of the property have been complied with;
- d. Mr. Yang has the right to lease out the office unit and licence the use of the car parking space to Fuwang without obtaining any further approvals from the relevant government authorities or payment of any fees or premium;
- e. There exist no legal restrictions under any applicable PRC laws, rules or regulations for Mr. Yang to lease out the office unit and licence the use of the car parking space to Fuwang;
- f. The existing use of the property (including the car parking space) complies with its prescribed use as stipulated under the Building Ownership Certificate of the property (including the car parking space); and
- g. While the tenancy agreement relates to the lease of the property, under the tenancy agreement, Mr. Yang has licensed to Fuwang for the use of the car parking space at nil consideration. The use of the car parking space by Fuwang does not require any leasing registration procedures. Accordingly, the non-inclusion of the car parking space (which is licensed to Fuwang for use at nil consideration) in the Property Leasing Certificate of the property will not affect the legality of the tenancy agreement and the legal occupation of the car parking space by Fuwang and it is unnecessary to undertake any retrospective applications for inclusion of such car parking space in the Property Leasing Certificate.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31 March 2003 RMB
5.	Land, buildings and structures located at No. 2 Ying Xiong Road South Fen Yang City Shanxi Province the PRC	<p>The property comprises a parcel of land with a site area of approximately 9,907.84 sq.m., upon which 7 buildings and structures are erected.</p> <p>The major buildings and structures include 3 production buildings, 1 office building, 1 staff canteen, 1 staff quarter and 1 warehouse which were completed in about 1996, with a total gross floor area of approximately 10,980.81 sq.m..</p> <p>The property is rented by the Group under an Assets Leasing Agreement dated 20 August 2002 from an independent third party landlord for a term of 2 years commencing on 20 October 2002 at an annual rental of RMB500,000 exclusive of all relevant outgoings.</p> <p>The property is permitted to be occupied for production and staff accommodation purposes.</p>	The property is currently occupied by the Group for production and staff accommodation uses.	No Commercial Value

Notes:

1. The tenant of the property is Fujian Fuwang Metal Products Co., Ltd. (“Fuwang”), which is a wholly-owned subsidiary of the Company.
2. The landlord of the property is Shanxi Yiying Packing Industrial Co., Ltd. (山西義盈包裝工業有限公司, “Shanxi Yiying”).
3. Pursuant to a Property Leasing Permit, issued by Fen Yang City Real Estate Transaction Centre, Shanxi Yiying has the right to lease out the property to Fuwang.
4. The opinion given by the PRC legal advisers to the Group contains, inter alia, the following:
 - a. Within the tenancy period specified under the Assets Leasing Agreement, Fuwang has the exclusive right to occupy and use the property;
 - b. The Assets Leasing Agreement is legally valid, binding and enforceable to the contracting parties;
 - c. Shanxi Yiying has the right to lease out the property to Fuwang and all the necessary registration procedures and approvals for the leasing of the property have been complied with;
 - d. There exist no legal restrictions under any applicable PRC laws, rules or regulations for Shanxi Yiying to lease out the property to Fuwang; and
 - e. The existing use of the property complies with its prescribed use as stipulated under the meeting memorandum issued by Fen Yang City People’s Government.

VALUATION CERTIFICATE

Group III — Property interest rented by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Open Market Value in existing state as at 31 March 2003 RMB
6.	Unit 2603 26th Floor Harbour Centre No. 25 Harbour Road Wanchai Hong Kong	<p>The property comprises an office unit on the 26th Floor within a 33-storey commercial building completed in about 1982.</p> <p>The gross floor area of the property is approximately 1,496 sq.ft..</p> <p>The property is rented by the Group under a tenancy agreement dated 20 January 2003 from a third party landlord for a term of 2 years commencing on 25 January 2003 and expiring on 24 January 2005 at a monthly rental of HK\$29,920 exclusive of rates, management fees, air conditioning charges and all other relevant outgoings. The tenancy includes a 74-day rent-free period from 25 January 2003 to 8 April 2003.</p> <p>Under the tenancy agreement, the property is permitted to be occupied for office purpose.</p>	The property is currently occupied by the Group for office use.	No Commercial Value

Notes:

1. The tenant of the property is Spread Prospects Holdings Limited, which is the Company.
2. The landlord of the property is Triple Well International Limited.
3. Pursuant to the search record obtained from the Land Registry, the registered owner of the property is Triple Well International Limited.
4. Pursuant to the search record from the Land Registry, the property is not subject to mortgage or any other material encumbrances.